

Adopted	Rejected
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COMMITTEE REPORT

YES: 16

NO: 0

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred Senate Bill 100, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

1 Page 2, between lines 9 and 10, begin a new paragraph and insert:
 2 "SECTION 2. IC 6-3.5-6-27 IS ADDED TO THE INDIANA
 3 CODE AS A NEW SECTION TO READ AS FOLLOWS
 4 [EFFECTIVE UPON PASSAGE]: **Sec. 27. (a) This section applies**
 5 **only to Miami County. Miami County possesses unique economic**
 6 **development challenges due to:**
 7 (1) **underemployment in relation to similarly situated**
 8 **counties; and**
 9 (2) **the presence of a United States government military base**
 10 **or other military installation that is completely or partially**
 11 **inactive or closed.**
 12 **Maintaining low property tax rates is essential to economic**
 13 **development, and the use of county option income tax revenues as**
 14 **provided in this chapter to pay any bonds issued or leases entered**
 15 **into to finance the construction, acquisition, improvement,**

renovation, and equipping described under subsection (c), rather than use of property taxes, promotes that purpose.

(b) In addition to the rates permitted by sections 8 and 9 of this chapter, the county council may impose the county option income tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted gross income of resident county taxpayers if the county council makes the finding and determination set forth in subsection (c). Section 8(e) of this chapter applies to the application of the additional rate to nonresident taxpayers.

(c) In order to impose the county option income tax as provided in this section, the county council must adopt an ordinance finding and determining that revenues from the county option income tax are needed to pay the costs of financing, constructing, acquiring, renovating, and equipping a county jail, including the repayment of bonds issued, or leases entered into, for financing, constructing, acquiring, renovating, and equipping a county jail.

(d) If the county council makes a determination under subsection (c), the county council may adopt a tax rate under subsection (b). The tax rate may not be imposed at a rate or for a time greater than is necessary to pay the costs of financing, constructing, acquiring, renovating, and equipping a county jail.

(e) The county treasurer shall establish a county jail revenue fund to be used only for the purposes described in this section. County option income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 11 of this chapter.

(f) County option income tax revenues derived from the tax rate imposed under this section:

(1) may only be used for the purposes described in this section;

(2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and

(3) may be pledged to the repayment of bonds issued, or leases entered into, for the purposes described in subsection (c).

SECTION 3. IC 6-3.5-6-28 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE

UPON PASSAGE]: Sec. 28. (a) This section applies only to Howard County. Maintaining low property tax rates is essential to economic development, and the use of county option income tax revenues as provided in this chapter to pay any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described under subsection (c), rather than the use of property taxes, promotes that purpose.

(b) In addition to the rates permitted by sections 8 and 9 of this chapter, the county income tax council may impose the county option income tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted gross income of resident county taxpayers if the county income tax council makes the finding and determination set forth in subsection (c). Section 8(e) of this chapter applies to the application of the additional rate to nonresident taxpayers.

(c) In order to impose the county option income tax as provided in this section, the county income tax council must adopt an ordinance finding and determining that revenues from the county option income tax are needed to pay the costs of financing, constructing, acquiring, renovating, and equipping a county jail, including the repayment of bonds issued, or leases entered into, for financing, constructing, acquiring, renovating, and equipping a county jail.

(d) If the county income tax council makes a determination under subsection (c), the county income tax council may adopt a tax rate under subsection (b). The tax rate may not be imposed at a rate or for a time greater than is necessary to pay the costs of financing, constructing, acquiring, renovating, and equipping a county jail.

(e) The county treasurer shall establish a county jail revenue fund to be used only for the purposes described in this section. County option income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 11 of this chapter.

(f) County option income tax revenues derived from the tax rate imposed under this section:

(1) may only be used for the purposes described in this

section;

(2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and
(3) may be pledged to the repayment of bonds issued, or leases entered into, for the purposes described in subsection (c).

SECTION 4. IC 6-3.5-7-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers.

The entity that may impose the tax is:

- (1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on January 1 of the year the county economic development income tax is imposed;
- (2) the county council if the county adjusted gross income tax is in effect on January 1 of the year the county economic development tax is imposed; or
- (3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

(b) Except as provided in subsections (c), (g), (k), (p), and (r) the county economic development income tax may be imposed at a rate of:

- (1) one-tenth percent (0.1%);
- (2) two-tenths percent (0.2%);
- (3) twenty-five hundredths percent (0.25%);
- (4) three-tenths percent (0.3%);
- (5) thirty-five hundredths percent (0.35%);
- (6) four-tenths percent (0.4%);
- (7) forty-five hundredths percent (0.45%); or
- (8) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

(c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o), ~~or (p), or (s)~~, the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths

percent (1.25%). Except as provided in subsection (g), ~~or~~ (p), (r), (t), or (u), the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) To impose, increase, decrease, or rescind the county economic development income tax, the appropriate body must, after January 1 but before April 1 of a year, adopt an ordinance. The ordinance to impose the tax must substantially state the following:

"The _____ County _____ imposes the county economic development income tax on the county taxpayers of _____ County. The county economic development income tax is imposed at a rate of _____ percent (____%) on the county taxpayers of the county. This tax takes effect July 1 of this year."

(e) Any ordinance adopted under this chapter takes effect July 1 of the year the ordinance is adopted.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this chapter and shall, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department by certified mail.

(g) This subsection applies to a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000). Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of:

(A) fifteen-hundredths percent (0.15%);

(B) two-tenths percent (0.2%); or

(C) twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%); if the county income tax council makes a determination to impose rates under this subsection and section 22 of this chapter.

(h) For a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five

hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) For a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) For a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(k) This subsection applies to a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For:

(1) a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); or

(2) a county having a population of more than forty-five thousand

(45,000) but less than forty-five thousand nine hundred (45,900); except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(p) In addition:

(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

1 However, the additional rate imposed under this subsection may not
 2 exceed the amount necessary to mitigate the increased ad valorem
 3 property taxes on homesteads (as defined in IC 6-1.1-20.9-1) resulting
 4 from the deduction of the assessed value of inventory in the county
 5 under IC 6-1.1-12-41 or IC 6-1.1-12-42.

6 (q) If the county economic development income tax is imposed as
 7 authorized under subsection (p) at a rate that exceeds the maximum rate
 8 that would otherwise apply under this section, the certified distribution
 9 must be used for the purpose provided in section 25(e) or 26 of this
 10 chapter to the extent that the certified distribution results from the
 11 difference between:

- 12 (1) the actual county economic development tax rate; and
- 13 (2) the maximum rate that would otherwise apply under this
- 14 section.

15 (r) This subsection applies only to a county described in section 27
 16 of this chapter. Except as provided in subsection (p), in addition to the
 17 rates permitted by subsection (b), the:

- 18 (1) county economic development income tax may be imposed at
- 19 a rate of twenty-five hundredths percent (0.25%); and
- 20 (2) county economic development income tax rate plus the county
- 21 option income tax rate that are in effect on January 1 of a year
- 22 may equal up to one and twenty-five hundredths percent (1.25%);
- 23 if the county council makes a determination to impose rates under this
- 24 subsection and section 27 of this chapter.

25 (s) Except as provided in subsection (p), the county economic
 26 development income tax rate plus the county adjusted gross income tax
 27 rate that are in effect on January 1 of a year may not exceed one and
 28 five-tenths percent (1.5%) if the county has imposed the county
 29 adjusted gross income tax under IC 6-3.5-1.1-3.3.

30 **(t) This subsection applies to Miami County. Except as provided**
 31 **in subsection (p), the sum of the county economic development**
 32 **income tax rate and the county option income tax rate that are in**
 33 **effect on January 1 of a year may not exceed one and twenty-five**
 34 **hundredths percent (1.25%).**

35 **(u) This subsection applies to Howard County. Except as**
 36 **provided in subsection (p), the sum of the county economic**
 37 **development income tax rate and the county option income tax rate**
 38 **that are in effect on January 1 of a year may not exceed one and**

1 **twenty-five hundredths percent (1.25%)."**

2 Page 4, after line 6, begin a new paragraph and insert:

3 **"SECTION 5. [EFFECTIVE UPON PASSAGE] Notwithstanding**
 4 **the provisions in IC 6-3.5-6 that indicate that an ordinance**
 5 **establishing or increasing the rate of a county option income tax in**
 6 **2005 must be adopted before April 1, 2005, an ordinance adopted**
 7 **in 2005 to establish an additional rate under IC 6-3.5-6-27, as**
 8 **added by this act, may be adopted before June 1, 2005. An**
 9 **ordinance under this SECTION must be adopted in the same**
 10 **manner as an ordinance under IC 6-3.5-6. An ordinance adopted**
 11 **under this SECTION is effective on the later of the following:**

12 **(1) July 1, 2005.**

13 **(2) Fifteen (15) regular business days after the department of**
 14 **state revenue receives a certified copy of the ordinance from**
 15 **the county auditor.**

16 **SECTION 6. [EFFECTIVE UPON PASSAGE] Notwithstanding**
 17 **the provisions in IC 6-3.5-6 that indicate that an ordinance**
 18 **establishing or increasing the rate of a county option income tax in**
 19 **2005 must be adopted before April 1, 2005, an ordinance adopted**
 20 **in 2005 to establish an additional rate under IC 6-3.5-6-28, as**
 21 **added by this act, may be adopted before June 1, 2005. An**
 22 **ordinance under this SECTION must be adopted in the same**
 23 **manner as an ordinance under IC 6-3.5-6. An ordinance adopted**
 24 **under this SECTION is effective on the later of the following:**

25 **(1) July 1, 2005.**

26 **(2) Fifteen (15) regular business days after the department of**
 27 **state revenue receives a certified copy of the ordinance from**
 28 **the county auditor.**

29 **SECTION 7. An emergency is declared for this act."**

30 Renumber all SECTIONS consecutively.

(Reference is to SB 100 as printed January 19, 2005.)

and when so amended that said bill do pass.

Representative Espich